

To the Members of the California State Assembly:

I am returning AB 2738 without my signature.

The report of the California Performance Review contained a multitude of recommendations for improving financial management systems throughout state government and implementing a long-range financial planning process.

The idea of moving California from a paper-based payment system to an electronic one is certainly meritorious. Since I assume that the State Controller is already planning for such an eventuality, this legislation is not essential. The State Controller's office is already working on initiatives to process payroll and payments to local government electronically. This bill also imposes additional responsibilities on the Controller, the Treasurer, and the Department of Finance without providing a General Fund appropriation.

I look forward to working closely with the State Controller in looking for a comprehensive approach to fiscal management of the State rather than the piecemeal approach this bill takes.

For these reasons, I am unable to sign this measure at this time.

Sincerely,

Arnold Schwarzenegger